

performance of the equipment meets the contract specifications.

(2) *Acceptance tests for Form 398.* (i) Upon completion of the installation and alignment of the equipment (under this contract the installation alignment will be by other than the seller) the borrower shall perform all the inspections and tests outlined in the specifications.

(3) *Closeout documents.* (i) When the acceptance tests have been completed and all deficiencies have been corrected, the borrower shall:

(A) Assemble the documents listed in appendix F that are required for the closeout of the special equipment contract.

(B) Notify the GFR that the installation is ready for final acceptance.

(C) Make available for the GFR the documents listed in appendix F.

(ii) The GFR reviews the final documents and distributes all the documents as indicated in appendix F.

(iii) Final payment shall be made according to the payment terms of the contract.

[54 FR 39267, Sept. 25, 1989. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 59 FR 43718, Aug. 25, 1994]

**§§ 1753.69–1753.75 [Reserved]**

**Subpart I—Minor Construction**

SOURCE: 55 FR 3573, Feb. 2, 1990, unless otherwise noted. Redesignated at 55 FR 39397, Sept. 27, 1990.

**§ 1753.76 General.**

(a) This subpart implements and explains the provisions of the Loan Documents (as defined in 7 part CFR 1758) setting forth the requirements and procedures to be followed by borrowers for minor construction of telecommunications facilities using RUS loan funds. Terms used in this subpart are defined in § 1753.2.

(Approved by the Office of Management and Budget under control number 0572–0062)

**§ 1753.77 Methods of minor construction.**

Minor construction may be performed by contract using RUS Contract Form 773. “Miscellaneous Con-

struction Work and Maintenance Services”, or by work order construction.

**§ 1753.78 Construction by contract.**

(a) RUS Form 773 shall be used for minor construction by contract. Compensation may be based upon unit prices, hourly rates, or another basis agreed to in advance by the borrower and the contractor. A single work project may require more than one contractor.

(b) The borrower shall prepare the contract form and attach any diagrams, sketches and tabulations necessary to specify clearly the work to be performed and who shall provide which materials. Neither the selection of the contractor nor the contract requires RUS approval.

(c) Borrowers are urged to obtain quotations from several contractors before entering into a contract to be assured of obtaining the lowest cost. The borrower must ensure that the contractor selected meets all Federal and State licensing and bonding requirements, and that the contractor maintains the insurance coverage required by the contract for the duration of the work. (See 7 part CFR 1788)

(d) Upon completion and final inspection of the construction the borrower shall obtain from the Contractor a final invoice and an executed copy of RUS Form 743, Certificate of Contractor and Indemnity Agreement.

(e) RUS Contract Form 773 may also be used to contract for the maintenance and repair of telephone equipment and facilities. Generally, RUS will not finance maintenance and repair contracts.

[55 FR 3573, Feb. 2, 1990. Redesignated at 55 FR 39397, Sept. 27, 1990, and amended at 59 FR 43718, Aug. 25, 1994]

**§ 1753.79 Construction by force account.**

The borrower shall require that:

(a) Minor construction by the force account method be supervised by a competent foreman. The work shall be performed in accordance with all regulatory and safety codes.

(b) Daily time and material reports, referenced by the work project number, shall be kept to record labor and materials used as construction is performed.